

~~SECRET/SENSITIVE~~

SECRETARY'S REMARKS

MEETING WITH THE HOUSE OF REPRESENTATIVES

I appreciate the opportunity to give you my views of where we are in Central America. I think sometimes that the dialogue between the Congress and the Executive is so dominated by the news of the day that we rarely get the opportunity to treat the basic issues in a rational, longer term perspective. That is what I would like to do with you today.

I

First let's take El Salvador

Three plus years ago El Salvador was staggering under the weight of seemingly intractable problems:

- a sharply declining economy
- a undemocratic political system
- inequitable land ownership
- constant brutal violence on all sides
- an active insurgency supported by Cuba and Nicaragua

~~SECRET/SENSITIVE~~

DECL: OADR

SECRET/SENSITIVE

- 2 -

- an ineffective and often indiscriminate military
- an unresponsive system of justice.

But, difficult as these problems were, they were not hopeless. An alliance of young officers and democratic civilians had begun to sow the seeds of a possible solution. A land reform program had been initiated; there was a new emphasis on human rights; the United States had responded with economic and military assistance.

It was the considered judgment of our experts that with the commitment of resources and with patience and tenacity we could:

- Promote and establish a democratic process
- Stabilize the economy and lay the basis for renewed growth
- Rectify the land ownership problem
- Build respect for justice and human rights
- Develop a military capable of preventing a guerrilla victory

All these things we thought could be done.

But there was one thing we knew we could not do in El Salvador alone: cut off the outside assistance to the guerrillas. We knew that no matter how successful the

SECRET/SENSITIVE

SECRET/SENSITIVE

- 3 -

Salvadorans' internal reforms, they could not end the war if the guerrillas could continue to count on material support from abroad. That meant addressing the problem of Nicaragua.

Let's look at Nicaragua three and a half years ago.

The anti-Somoza coalition that had come to power in 1979 had a broad base. The new government included men of conviction who believed in the promises of the revolution: free elections, true non-alignment and respect for the sovereignty of neighbors. These men included:

Arturo Cruz: President of the National Bank, later member of the ruling Junta, and Sandinista Ambassador to the U. S.

Alfonso Robelo: a prominent anti-Somoza leader who was an official of the provisional government and leader of the Junta of National Reconciliation.

Adolfo Calero: an anti-Somoza businessman who strongly supported the revolution.

Eden Pastora: the famous Commander Zero, the military hero of the Sandinista revolution, Vice Minister of Defense and head of the National Militia.

Alfredo Cesar: President of the Central Bank, member of the FSLN and architect of Nicaragua's post-Somoza economic policy.

SECRET/SENSITIVE

SECRET/SENSITIVE

- 4 -

Because of the presence of such men, the U.S. worked hard through 1979 and 1980 to support the new regime, to encourage moderation, to strengthen the hand of those who shared our democratic ideals. We provided \$118,000,000 in 18 months in this effort making Nicaragua the highest per capita recipient of U.S. aid during that period.

But, by March of 1981 it was clear that, despite our efforts, the moderates had lost out. It was not the Cruz or Robelo groups who were guiding Nicaragua. It was the hard line commandantes, those trained in Cuba and faithful to it.

This faced us with a difficult choice. We had watched, traced and recorded a steady flow of arms, training and combat support from Nicaragua to the Salvadoran guerrillas. And we knew the war in El Salvador would not end so long as that flow continued. Therefore, in August of 1981, we made an intense effort to get the Nicaraguans to cut it off. We told them that we wanted to resolve the issue peacefully. If they stopped their support for the Salvadoran guerrillas, we would guarantee their security -- we would cooperate with them economically and otherwise enjoy a normal relationship. But, if they did not, all bets were off. For six months we probed, directly and in detail -- but to no avail. And so we embarked on a policy of pressure. A policy designed to ensure that Nicaragua could not subvert its neighbors with impunity.

## II

Now, a lot has happened in the three years since these decisions were reached.

SECRET/SENSITIVE

SECRET/SENSITIVE

- 5 -

In El Salvador, democracy has taken hold, the land reform is over half completed, the Salvadoran military is vastly improved, a modern constitution has been approved, judicial reform programs are getting under way and Napoleon Duarte -- a man committed to reform and full respect for human rights -- has just been elected President, setting the stage for further gains.

We have every reason to be proud of these achievements.

But the guerrillas are still there. General Vessey will be briefing you on their tactics and military logistics, which are more sophisticated than ever before. I will only add that, though the trained forces available to them have also increased, the guerrillas' political support has shrunk steadily as the reforms have taken hold.

Yet the munitions and money from Nicaragua continue to flow -- every day of the year -- provisioning and paying for the insurgency.

We were right in 1981. The outside flows are critical. Despite internal progress, the stalemate continues. The Salvadorans can contain the guerrillas, but cannot eliminate them as long as this flow continues.

And in Nicaragua today, we see a sorry situation. The Sandinistas continue to support the guerrillas in El Salvador. They still deny it publicly but their protestations of innocence have so little credibility, that they have dropped them altogether in private discussions. Major Latin leaders have told us that the Sandinistas make no bones about their

SECRET/SENSITIVE

- 6 -

support for the guerrillas in their private bilateral discussions. Let me read you an excerpt from a letter I received from a colleague representing one of our NATO allies.

The Sandinista leader QUOTE acknowledged to me that Nicaragua is providing 'revolutionary assistance' to the FMLN in El Salvador. He explained that because the left in El Salvador had provided important assistance to the Sandinistas when they were embarking upon their own revolution, the present government believes that they have a moral obligation to provide some support in return. END QUOTE

Indeed, in his discussions with us, one member of the Directorate spoke freely of the existence of the Salvador command and control center in Nicaragua. In fact, our longstanding dialogue with the Sandinistas has been characterized by pro-forma denials of Nicaraguan support for the Salvadoran guerrillas while simultaneously discussing the terms and conditions for a cessation of such activities.

But, as your intelligence committee knows, our knowledge of these activities is not limited to the Nicaraguans' admissions. We have ample  radar and human source

25X1

25X1

The Sandinistas have also aligned their foreign policy with the Soviet Union and Cuba. With the help of these countries they have transformed their forces into a modern and well armed military machine unprecedented in Central America. Since 1979, their trained forces have grown from 10,000 to

SECRET/SENSITIVE

SECRET/SENSITIVE

- 7 -

100,000. That is a major change in four years and a new geopolitical reality.

So too is the \$350 million in Soviet military aid, and a staff of Cuban and Soviet bloc security advisors numbering over 3,000, which so clearly underlines Nicaragua's reliance on Cuba and the Soviets.

And because of these factors the reasonable men who gave us hope in 1979 and 1980 are all gone.

Alfonso Robelo is the key figure in the ARDE anti-Sandinista Group in the south.

Arturo Cruz is the leading spokesman of the exiled democratic opposition now teaching here in the United States.

Alfredo Cesar is another key spokesman for the democratic opposition.

Adolfo Calero is head of the FDN anti-Sandinista group in the north.

Eden Pastora is the military leader of ARDE forces in the south.

Those moderates are no longer with the Sandinistas. They lead the anti-Sandinistas. Their goals have not changed. They still want democracy and they still want respect for neighbors. Theirs is still the original struggle of the Sandinista revolution. Maybe we should not even call them

SECRET/SENSITIVE

SECRET/SENSITIVE

- 8 -

anti-Sandinistas. They are, more accurately, the true Sandinistas.

These men are not fighting because we want them to, or because we give them support. They are fighting for values in which they believe. And which we share. No amount of money could cause them to undergo the suffering and self-sacrifice they endure. These are not right-wing thugs. They are not "Somocistas". Somoza is dead and we will never do anything that would return his style of government to Central America.

Today, under the leadership of moderate and decent men, thousands of Nicaraguans are mounting a challenge to their government. They are acting in support of their belief in democracy and freedom. And their resistance is also pressing Nicaragua to stop its support for the guerrillas in El Salvador.

The Sandinistas face opposition because life in Nicaragua has become intolerable. Internally, with the help of their Eastern Bloc allies, they have put in place police-state controls -- featuring control of the media, curbs on organized labor and political expression, neighborhood watch committees and vigilante mobs to harass and intimidate any dissidents. The Church is harassed and besieged, the Pope insulted, and a new phony church stimulated to fool the people. Repression of the Indians has been intense, involving killings and mass relocations. These are the inescapable facts of Nicaragua today.

SECRET/SENSITIVE



SECRET/SENSITIVE

- 9 -

III

The question facing us today is where we go from here.

Two conclusions stand out:

First, we are on the right course in El Salvador. We should stick with it. The funds requested in the emergency aid supplemental currently before the Congress and the entire Jackson plan should be approved. I see a growing consensus on this, and I welcome it.

Second, a policy of pressure on Nicaragua remains essential to our objectives in Central America today -- for all the same reasons we embarked on that policy two and a half years ago.

Now, we have learned a lot.

- Clearly operations must be based on realities including the political realities here at home and in world opinion. In some cases actions in Nicaragua have not been sufficiently sensitive to those realities.
- Mining operations, or other acts that could endanger the citizens of other countries, should not be resumed.
- The sovereignty of neighbors must be fully protected. Care should be taken to assure reduced profile.

SECRET/SENSITIVE

SECRET/SENSITIVE

- 10 -

-- And we agree with the Chairmen of the Select Committees that better monitoring and reporting requirements are needed. We are working with the Senate Intelligence Committee on new procedures. We look forward to the same with the House.

Finally, I understand and sympathize with those who are concerned over the use of covert means to achieve our objectives.

But I believe the record demonstrates that we turned to covert means only after it had become clear that our objectives could not be achieved through persuasion and diplomacy alone. We cannot now simply wash our hands of this activity without doing our nation a great disservice.

Let me examine the consequences of a termination of our support for the anti-Sandinistas.

First, I do not believe that the forces of the Kremlin will be assaulting the White House gates if this program is ended.

But, even though the immediate consequences may not be apocalyptic ... they will be profound.

-- We supported the democratic forces of Nicaragua when they were in the government and we have supported them in opposition. They will keep fighting whether we support them or not. But, in time, without support, their fate will be sealed. This will be a tragedy, for Nicaragua, and for us.

SECRET/SENSITIVE

SECRET/SENSITIVE

- 11 -

-- An even more serious problem will be the effect on the perceptions of our friends and allies -- and our adversaries -- of U.S. will, of our reliability and steadiness of purpose. In Central America and elsewhere we are looked to for leadership and support when our friends take a stand -- on behalf of democracy or other values that they and we share, or against violence of the right or left, or against communism.

What are the Presidents of Costa Rica and Honduras going to think of our resolve if we back out of our policy in Nicaragua, a policy they have told us they consider essential to their security? What value should foreign leaders assign to our word and commitment if, instead of adjusting our policies to make them work better, we simply give up?

-- We must also ask ourselves how we will address the problems of Central America if we no longer have an instrument to pressure Nicaragua. I do not predict collapse but I fear that we would be denying ourselves the prospect of success. If Nicaragua is allowed to support revolution in neighboring states with impunity then we will be locked into an interminable test of wills. Will we keep up the aid longer than they? Every dollar not spent in Nicaragua will have to be multiplied a hundredfold in neighboring countries for the symptomatic relief of insurgency. We will have foregone the cure.

SECRET/SENSITIVE

SECRET/SENSITIVE

- 12 -

- Finally a word on negotiations. Our strategy has been to establish a situation in which Nicaragua had as much to gain by a fair negotiated solution as do we. We are now at or near that point. For the first time in three years we have begun to receive signals that at least some in Nicaragua's Directorate might be willing to meet our agenda -- to include an ending of support for the guerrillas in El Salvador. The price they would demand would be an end to our support for the anti-Sandinistas.
  
- I cannot promise you that these signals will yield peace. But I can promise you that I will let no opportunity slip by. But what chance do I have if we preemptively surrender the only position for which the other side might be prepared to pay at the negotiating table?
  
- We are finally achieving success in both El Salvador and Nicaragua. It would be a tragedy for everyone concerned if we abandoned a winning formula just as it has begun to work.

SECRET/SENSITIVE